5th August, 2014

Mr. John Andrias
Secretary
Department of Commerce Trade and Industry
P.O. Box 375
WAIGANI
National Capital District

Dear Mr. Andrias,

SUBJECT: TELIKOM (PNG) LIMITED SEeks CLEARANCE FOR THE PROPOSED ACQUISITION OF DATEC (PNG) LIMITED

The Independent Consumer and Competition Commission ("ICCC") has received an application from Telikom (PNG) Limited pursuant to Section 81 of the Independent Consumer and Competition Commission Act 2002 ("ICCC Act") seeking clearance to acquire Datec (PNG) Limited. Both companies are licensed providers of ICT related services and compete in providing internet services.

Clearance is a public consultation process where the ICCC assesses whether the proposed acquisition would have, or would likely to have, the effect of substantially lessening competition in the relevant market; and determines whether or not to give Clearance. The effect of a Clearance is an exemption from the application of Section 69 of the ICCC Act which prohibits anti-competitive business acquisitions.

The ICCC considers Department of Commerce Trade and Industry as one of the important stakeholders who may have an interest in this proposed acquisition. It is in this regard that the ICCC is seeking written submissions/comments on whether or not the Department thinks the proposed acquisition would have, or would likely to have the effect of substantially lessening competition in the market for provision of internet service and other specific ICT services; and the reasons. The ICCC seeks submissions and/or comments on, but not limited to, the following matters:

(a) Whether the acquisition would result in raising the level of concentration in the relevant market(s);

(b) The likely impact of the proposed acquisition on the competitiveness of ISP services in terms of products availability, pricing and service level;

(c) whether the acquisition would remove a vigorous and sustainable competitor in the relevant market;
(d) Whether the barriers to entry and exit in the general ICT and internet service markets are high; and whether this acquisition would raise the barriers;

(e) The extent of the power the consumers (customers) have that can dictate the prices the ISPs offer in the general ICT markets and ISP market;

(f) The overall impact of the acquisition on the wholesale and retail markets of the relevant services;

(g) Any other matters considered relevant for assessment by the ICCC.

The ICCC will consider these broader issues and other specific pertinent matters relating to the proposed acquisition in so far as this relates to competition within the various markets and make its decision on whether or not to give a clearance.

Since the ICCC is required to hand down its decision within 20 days, it would appreciate your prompt comments by or before 4:30 pm on Friday, 17th August 2014.

All submissions/comments received will be treated as public except where information is designated as confidential. For any information designated as confidential, you should provide reasons as to why you think such information should not be disclosed to the public. These confidentiality arrangements are governed by Section 131 of the ICCC Act.

A non-confidential version of the application is attached for perusal and comments.

For further information and or enquiries contact Mr. Steven Sugl, Executive Manager, or Mr. David Menjawi, Senior Analyst, of Competitive Market and Fair Trade Division on telephone 352 2144 or e-mail; ssugl@iccc.gov.pg or dmenjawi@iccc.gov.pg.

Yours sincerely,

ELASTUS GERORO
Acting Chief Executive Officer